



For Immediate Release
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**BAUCUS APPLAUDS WTO PANEL'S DECISION
IN CHINA INTELLECTUAL PROPERTY RIGHTS CASE**

Finance Chairman Supports Continued Enforcement of WTO Agreements

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded a World Trade Organization (WTO) panel's finding that China violated its commitments to protect U.S. intellectual property under the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Specifically, the panel found that China must enforce the intellectual property commitments it made in the TRIPS Agreement.

"The WTO spoke today, and its message is loud and clear – enforcement matters. China signed up to protect intellectual property rights, and it is high time it enforces those obligations," said Baucus. **"Intellectual property is a key driver of America's economy, and we must continue to push China in the WTO and elsewhere to protect American innovators' rights in that country just as they are protected here at home."**

In April 2007, the United States filed a WTO complaint against China arguing, in part, that China failed to provide copyright protection to products that did not meet China's censorship standards, improperly allowed counterfeit goods seized by China's customs authorities to enter the Chinese market once the infringing trademark was removed, and failed to properly apply criminal penalties for copyright piracy and trademark counterfeiting.

In today's decision, the panel ruled in favor of the United States on the first two claims. With respect to the third claim, the panel found that China must apply criminal penalties for copyright piracy or trademark counterfeiting that occurs on a "commercial scale," which the panel found must take into account the commercial realities of the marketplace, as the United States had argued. The panel decided, however, that it needed more evidence before it could find that China failed to apply criminal penalties in such cases. Both the United States and China may appeal this decision within thirty days.

Senator Baucus has long stressed the importance of trade enforcement generally, and intellectual property enforcement in particular. He introduced two enforcement bills during the last Congress, S. 1919 and S. 3464, and intends to introduce and pass similar legislation this Congress

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